December 1997, in exercise of the powers conferred under the Industries (Development and Regulation) Act, 1951 industries which are not small scale industries (SSIs), including MNCs, can manufacture items reserved for exclusive manufacture by the SSI on the condition that 50 per cent of their production would be exported.

(b) No specific study has been conducted to ascertain the extent to which the small scale industries might have been affected due to competition from MNCs. However, from the fact that the annual rate of growth of production of the SSI sector has so far been consistently higher than that of the country's industrial sector as a whole, it can be inferred that the SSI sector has generally been able to face up to the competition in the market, including that from the MNCs.

(c) To enhance the competitiveness of the SSI units, the Government have put in place a slow of measures, which include assistance for technological upgradation, accessing markets, improved infrasturucture, better availability of credit, facilities for training and capacity building of entrepreneurs,etc.

Closure of SSI units

2616. SHRI GIREESH KUMAR SANGHI: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) the number of SSI units closed down during the past three years;

(b) the reasons for such closure; and

(c) the steps taken or to be taken to give filling to revival of SSI in the country?

THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHABIR PRASAD): (a) As per the latest information available with the Government based on theThird All India Census of the Small Scale Industries with reference to the year 2001-02, 8,87,427 registered units were found closed.

(b) Apart from voluntary closure of SSI units, the main reasons of closure are inadequacy/shortage of working capital, fall in demand, changes in technology, shortage of raw materials, marketing problems, increase in competition, management inadequacies, etc.

(c) Although the promotion and development of Small Scale Industries is primarily the responsibility of the State/Union Territory (UT) Governments/ Administrations, the Central Government assists and supplements these efforts. For revival of sick small scale industries, the State and Central Governments have taken steps like establishing institutional forums in the form of State-Level Inter-Institutional Committee and District-Level sick Units Rehabilitation Committees in some States for periodical review, special rehabilitation cells in banks and State financial institutions, national level committee for improving credit flow, etc. The Reserve Bank of India (RBI) has issued guidelines on 16 January, 2002 for rehabilitation of sick SSI units, which include modification in the definition of sick SSI units, norms for deciding their viability, several measures to extend concessional finance for reviving potentially viable sick SSI units, etc.

SSIs in Jammu & Kashmir

2617. SHRI T.S. BAJWA: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether it is a fact that terrorists activities in Jammu and Kashmir have adversely affected the small scale industries there;

(b) the steps Government propose to take to put on rail the strife SSI in J & K;

(c) the total amount of funds allocated for development of SSI for the year 2005-06 and the share allocated for J & K; and

(d) the details of small scale industries in J & K likely to benefit from the allocation for the year 2005-06?

THE MINISTER SMALL SCALE INDUSTRIES (SHRI MAHABIR PRASAD) : (a) Sir, the Government of Jammu and Kashmir (J & K) has reported in the affirmative.

(b) The Central Government announced a new industrial policy and other concessions for J&K in June, 2002. This policy, *inter alia*, included enhanced central grant (upto Rs. 4 crore) for setting up of Integrated Infrastructure Development (IID) Centre, 100 per cent Central excise duty exemption to the new units located in notified areas and for substantial expansion by the existing, investment subsidy at the rate of 15 per cent